

Minutes For November 9th, 2004 Meeting of the Colorado Blue Ribbon Panel on Housing

Introductions of Blue Ribbon Panel Members

Don Marostica
Britta Fisher
Mike Rosser
Peter Neukirch
David Wedmore
Ken Hoagland (for Alana Smart)
Rachel Bayse (for Roy Alexander)
Kim Johnson (for Tony Hernandez)
Tom Clark
Mike Rock
Trési Houpt
Andrew Knudtsen
Gary Severson
Kathi Williams
Tom Ragonetti
Rick Padilla

Called to order 1:05 pm

Kathi Williams gives general introductory remarks and thanks panel members.

Williams: comments on how affordable housing is not a matter of altruism, but an issue that is closely connected to economic development and infrastructure in communities throughout Colorado. It is essential that we have diverse representation from the private sector, the government sector, and from non-profit community organizations.

Since housing affects all of these groups, it is essential that all groups be at the table if there is going to be any success in changing how housing is done in Colorado.

There is a tendency for each group to simplify the problems down to one group. For example, when one might talk to developers, they point out that it is only the government that is standing in the way of building a sufficient amount of housing. Conversely, governments object that they are held to a certain agenda by the voters to cover a variety of quality of life issues. But there is no “bad guy” in trying to find solutions to our housing challenges.

We need to find solutions that do not leave one of the major players out. The objective is the first and foremost to understand the challenges. Whether it is financing, land use, or is employment-oriented in nature. Find solutions and figure out how to put them into play. Whether it is regulatory flexibility, or a statewide mandate of some kind, or if there is just a better way of doing business.

Colorado is very diverse in that we have some very large differences between rural, urban, suburban, and resort regions. This means that there can be no one-size-fits-all solution to the housing challenges in Colorado.

Some possible questions to answer:

What is the appropriate goal of homeownership and rental housing?

What is the appropriate goal of rehabilitation versus reconstruction?

Should AH be fully integrated into the community? Should it be invisible or should it be in its own area of demarcation?

How do we effectively place AH near essential services?

Should each community's housing stock reflect its income or workforce base?

Should there be a range of housing options in each community's boundaries?

How do we best address special needs housing? Senior, disabled, domestic violence, homeless, migrant worker, etc.

At what level should subsidies be provided or should the market work at each level?

How do we better use resources to better meet housing needs?

Duplication of services?

Cost saving ideas?

Paperwork reduction?

Should human services, labor and econ dev work together to find solutions?

Where do we need to remove or put in place regulations?

How do we find long-term funding?

How do we achieve optimum housing balance?

Tom Ragonetti: Thanks to panel – I’m here in a dual role -private practice as a land use lawyer and as president of the Rocky Mountain Land Use Institute. Founded to look at essential land use issues that come up in the Rocky Mountain regions. And we have the largest land-use conference in the region.

We hope to determine directives and objectives for the Div of Housing to pursue to better meet housing challenges in the state. I know I’m speaking to a group for whom the term “housing” equals “housing policy.” And of course it does. Policy greatly affects how housing is done. But we need to recognize that housing is a very personal issue. People talk about it, read about it, people are going to have very diverse opinions about it, and it is imperative that we come together and understand this diversity of views.

Williams: Because of this, it is essential that decisions about housing be made at the community level up. It is not our mission at the state to tell the local communities what they need. But we need to understand the local issues, and build a statewide consensus about what the various issues are.

It is important that we don’t implement just a solution for the front range which leaves no challenges solved in Craig or to work on issues that just affect Grand Junction and bring no solutions in Durango, etc.

Explanation of Roundtables and Panel

As you can see we have a panel, these people were chosen for specific reasons, for geographical and vocational diversity, but we also need people that are big-picture thinkers who can help us form our recommendations.

This is not in anyway to diminish the role of the roundtables. This is where the heavy-lifting is going to be done. We need people who are on the day-to-day firing line and who need to implement the policies that do not always work. The role of the roundtable then will be around “here’s what works/doesn’t work, here are the latest challenges.”

Then these conclusions will be presented to the Blue Ribbon Panel.

This meeting is the first meeting, and is a meeting to explain how it will work and to work out some of the kinks, and we welcome your comments.

This is going to meet for one year, and will be concluded in 2004 so that there will be a chance for possible legislation to be addressed. Our congressional delegation will certainly be interested in the kind of recommendations that will come out of this panel. We have also been meeting with state legislators and many have expressed interest, and we will have some legislators meet with us from time to time.

And of course, we have four members from the state housing board, and as we make grants, they will be able to work on how the conclusions of the panel fit into what the Housing Board does.

As time goes on, we will work on making sure that everyone understands the basics of how the different types of housing work.

Mike Rock: Is there any particular priority or are we evaluating the full spectrum of housing issues?

Williams: This needs to be useful to everyone, so lay out any and all housing challenges, as well as what a good end goal or end product will be.

Statements of concerns from Denver Location:

Sam Betters: How do we house the very, very low income groups in our community? – It is the 30 and 40% AMI that are the greatest challenge in Loveland. In Estes Park, our biggest challenge is the same, but Estes is still pretty much a seasonal community in terms of workers.

Ernest Gijon – currently human service organizations are strapped for finances – we need to have flexibility on both ownership and rental because there are essential human services issues that need a variety of educational services.

Ragonetti: How do we limit and shape growth to preserve what's beautiful and balance it with the need for more housing in order to make it affordable – I would love this panel to address balancing growth with quality of life issues.

Unidentified Denver Roundtable member: – We see a lot of middle income families who are being driven out of the area because they can no longer afford housing within the metro region itself. We have people who are commuting round trip 150 miles per day so they can purchase a home that is affordable in their income level. There must be a more practical way of addressing housing.

Mike Rock: We need to grow our economy in such a way so that wages grow so that people can afford housing, and move into the segment of the population that can afford homeownership. Let us create an economic climate that will create jobs with wages that will get more people into homeownership.

Ragonetti: This is part of housing as an economic dev issues, and we have Pete Neukirch here who has worked on these issues in the Southeast Business Partnership.

Neukirch: One of the major goals we had was to provide 10,000 housing units for low and middle income families in our area. We knew the demand was there. CEOs said we need to do something about housing, and we concentrated our efforts on people making 20 per hour or less - 12-15 \$ per hour jobs.

We couldn't get enough people to produce the housing. They didn't want to gamble on lower income housing when they could be building high-end homes. It was difficult to get them to take the risk and to get local governments to rezone for middle income housing away from commercially zoned areas. Increasing the connections between sponsors and producers and the people who need such housing to meet the demand.

Meghan Pfanstiel: We have three greatest challenges with manufactured housing – perceptions – in the last 20 years our products have experienced huge changes in what they look like and the quality. Our homes can be 10% less than site built houses. What we'd like to see long-term is to bring the for-profit and non-profit world together in producing housing.

Gary Severson: One of the dilemmas we deal with is what makes our regions so beautiful. Those long wide-open vistas. In our area about 4/5 of the area land base is owned by the federal government. That restricts all our use to a very small area of land for commercial governmental, etc. When we get down to the area of land available for housing, and it is really quite small. Our summer rec is now growing due to golf course. And our summer tax receipts are now beginning to outpace our winter tax receipts. You combine the scarce land with our resort economy which is very competitive with also warm weather competition; and as we compete with those other leisure activity, with leisure wage scales, it makes our wages for those groups very tight, and not just the service workers, but year round people as well such as teachers and firefighters.

Williams: Regarding the federal gov, HUD is not here because they were not invited. John Carson our regional dir of HUD and Gigi Dennis from RD indicated the the fedgov has rules about their people attending panels that craft public opinion on issues that might ultimately be lobbied in Congress.

Rick Padilla: the biggest challenge is affordable – and affordability shouldn't be dictated by federal guidelines. If we need to partner up to fund housing, we need flexibility.

Kathi Williams: We need to have the free enterprise system work as much as possibly with no tinkering because every time we tinker it produces unintended consequences somewhere else.

I often hear that we need to train workers to have better paying jobs, but that doesn't make the low income jobs go away. The specific individual has been helped, but another person comes in to take the place of the original person in the low income job. We need to proceed much more rationally in how the system works, rather than allowing it to happen by default.

Mike Rosser: my concern is the financial stability of a variety of affordable housing providers throughout the state. As well as homeownership for minority households, which is much lower than the homeownership for other groups. Also, abusive lending practices - homebuyer education is needed. Counseling was the solution 30 years ago in dealing with the problem of there being a "mortgage for everyone." This needs to be accompanied by training.

Don Marostica: The challenge we are seeing in northern Colorado is that we have done very well in recent years with economic development – and the jobs we're adding are in the medical service and retail industry. Its now one of the best areas to go to retire according to popular pubs. We have a lot of affordable home for retirees. The retirees are driving up prices, but the jobs we have don't have jobs that have kept up. Seniors don't put much pressure on services, but the housing drives challenges for those who don't have enough money to stay in the homes they're in.

Blake Chambliss: this isn't about housing. It's about neighborhoods and its about communities. During my walk around the state, I found many communities where housing is a problem because all around the state, the value has been driven up and has not left many places for people to both live and work in the same community. This isn't just about production, etc. We need to talk about how to put communities together where people can afford to live and work in the same place. It's my hope that the panel talks about communities and preserving communities.

Kathi Williams: why did we not have as such a great need for services in the past? In the past families helped out more, but now how we are a society, people leave it to government to deal with these issues, and maybe there's a better way we can use our resources.

Tom Ragonetti: I found that during my work w/ Vermont's growth management office, that a very large concern was that high income people from NY were moving to Vermont and displacing the old established communities as property prices rose. This is a problem of living in a desirable state. People from elsewhere bid for the places to live here, and that displaces the people that are already here. That is a tremendous challenge.

Kathi Williams: We have a challenge in whether people's parents can afford to live here, and whether their children can afford to purchase a starter home anywhere near their families.

At this point, other roundtable locations reported with some of the concerns that they had uncovered in their groups –

Northern Co: Kimberly Stenberg: We are experiencing a discussion about the challenge from Larimer county eastward - Is that the inability for communities to attract high-paying jobs that support the cost of housing and the increase in the cost of housing that we have seen in recent years. How will we balance the

economy with our wages and our cost of housing? Our economies are really struggling to keep up with the cost of housing. We have communities with large vacancy rates in some housing markets, and in other communities in Northern Co, there is a housing shortage. How do we balance that housing with the needs of the workforce?

Kay Phillips in Glenwood Springs: We are a mountain rural resorts region – our biggest challenge is the lack of flexibility in receiving funding that can match the housing profile in our region. We find the programs work great for the economic profile of the front range, but many people in our region are left out because they make too much money for the program, but certainly cannot afford a home here. This includes concerns about sections 8, and about how to find products for our Latino community. How can we work together with the state to find a solution to our challenges specifically in our region?

Suzanne Anarde in Pueblo: We have a very diverse group between both rural and local Pueblo housing groups. We have seen an increase in the number of people who have housing problems, such as homelessness. Dollars are the bottom line. We all agreed that lack of infrastructure in rural areas, lack of concession in lieu of dollars, the need for local gov encouraging developers to come into areas, a variety of zoning issues, etc. are problems. Increasing dollars into our areas –

We are concerned about measuring success for this Blue Ribbon Panel. How do we make this panel more effective than others from the past?

Dick Conn – Colo. Springs – We have a very diverse group, housing authorities, bankers, etc. Our biggest issues is -like Pueblo- the funding concerns. We concentrated a lot of energy into the funding areas and broke it out into specific concerns – 1. leveraging dollars from a diversity of public sources. 2. loosening restrictions 3. timing issues: being able to take advantage of time-sensitive opportunities due to the lengthy process to take advantage of public funds.

We would like to see an emphasis on preventing foreclosures and on preventing people from returning to homelessness out of rental situations. The increasing scarcity of resources over time are a concern. We'd like to see some kind of machinery that supports the housing trust fund. That would put Colorado on the map as a real supporter of affordable housing.

We would like to see a longer time frame for funding that allows funding recipients to be able to plan for multi-year funding sources.

Tom Ragonetti: recaps the concerns expressed during the meeting. –
They fall into a few categories:

1. Special Needs Housing
2. Raising Income Levels/Decreasing Production Costs as a Means of Enhancing Affordability
3. The Jobs/Housing Balance
4. Balancing Quality of Life Issues/Growth Control with Economic Growth Needs

Kathi Williams addresss the issue of the trust fund group: They have commissioned a study that was completed a year ago, and looks at many of the issues we are now looking at. They came to the conclusion that we need a housing trust fund.

I hear flexibility come up repeatedly – who should have control of the federal dollars that HUD spends on housing throughout the nation? Should HUD decide or should local groups decide? HUD needs restrictions to keep control of some jurisdictions that do not manage their money well, yet, comparatively Colorado manages its money very well. So, we have been talking with the federal government about getting more flexibility as a result of our good money management.

It would be good to have more flexibility, and in order to succeed in this, we need community members to be part of these efforts as well, not just the Division of Housing.

Sam Betters: who are we talking about when we're talking about affordable housing. We need a goal in mind about who we want to serve, and it would behoove us to set that forth plainly.

Kathi Williams: that is an excellent point, because as I toured homeless shelters and affordable housing projects, I was struck by the number of families in homeless shelters, but I was also struck by the attractiveness of affordable housing. The question that is then asked, is how attractive should affordable housing really be? What will be our decisions about what kinds of "housing rights" do low income people have? Is there a right to a home with a garage and ample square footage, or should affordable housing mean an 850 sq ft house with no garage? And we need to decide if people have a right to panhandle and live on the street or if we are going to establish shelters, and be sure that they are used by any who can not or will not find housing. We need to decide who we are talking about when we talk about the target population for these efforts.

Tom Ragonetti: I noticed that the person here representing manufactured housing noted that there are many regulatory barriers preventing the construction of such housing that can be as much as 10% cheaper. And I noticed that financial stability for those who have acquired housing is a key concern for people.

I would like to add that we have a very large, talented, and experience group here. And that anyone who would like to communicate more should send their comments to Ryan so that we can get a more complete picture of the different issues that people believe we need to address. We are not going to suffer from having too much information.

Mike Rock: One of the things we should try to wrestle with is that as we try to shift local perceptions around density, we run into a buzz saw from the community itself. We have a lot of democracy going on, and if we try to talk about increasing density, people are concerned that their property values will plummet. We should be able to offer a variety of different housing choices of different densities, and even if we work hard on putting together a very good plan, we may still not pass such things with the voters.

We must look at changing public perceptions on this issue, and perhaps putting safeguards that may allow zoning efforts to meet certain tests and be safeguarded from referenda and other things that drive up costs.

Tom Ragonetti: Discussed Oregon growth management and noted that urban density within the urban growth boundary makes Portland half as dense as L.A., so LA the poster child for suburban America is still more dense than Portland.

Kathi Williams: If we find that the recommendation is that the barrier to getting our recommendations accomplished is public education, then that gives us something clear for us to work on. If we have open space or nimby issues that need a public education element, we are more than happy to begin taking that on.

Gary Severson: one year from now, how will you define success for this panel?

Tom Ragonetti: Tangible recommendation for action whether at state, federal or local level with programs to implement them.

Kathi: I agree, and another issue is that legislation always has the risk of ending up something other than we intend it. But, if we can find at the community level, how we can address issues without substantial problem, that will be another advantage of this panel.

Kathi and Tom give concluding remarks and meeting is adjourned at 3:05 pm.